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July 28, 1952

## OIR'S SUGGESTED REVISION OF NIE-61

SUBJECT: NIE-61: Consequences of Communist Control over the Indian Subcontinent\*

## THE PROBLEM

To estimate the strategic consequences to the West and to the Soviet Bloc of the establishment of Communist control over the Indian subcontinent without either the Middle East or Southeast Asia having previously come under Communist control. Whether or not the Subcontinent is likely to come under Communist control is a question beyond the scope of this estimate.

## CONCLUSIONS

The following conclusions do not constitute a prediction of a probable course of events but are rather an estimate of what would happen in the unlikely event that the Indian subcontinent fell under Communist control with the world situation otherwise substantially as at present. Particularly improbable is the assumption that the subcontinent would fall under Communist control prior to extensive Communist victories in Southeast Asia. Further precision in estimating the probable course of events following a Communist victory in South Asia would necessitate preliminary estimates of how and when, if at all, such a victory might be expected to occur.

\* For the purposes of this estimate, the Indian subcontinent will be taken to include India, Pakistan, Afghanistan, states of Nepal, Sikkim, and Bhutan, and Ceylon.

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1. The most serious effects of the loss of the Indian sub-continent to Communist control would be psychological and political. A Communist victory in South Asia, if not preceded by the loss of much of Southeast Asia, would be speedily followed by it and the remaining non-Communist countries of Asia would be under strong pressure from their Communist neighbors. Such victories would deprive the US of the support, present and potential, of a group of nations whose ties and basic sympathies are primarily with the West, and the usefulness of the UN to the US, and tend to undermine the will to resist Communist aggression in non-Communist Asia, Africa, and Western Europe.

2. As in draft of June 30, 1952.

3. As in draft of June 30, 1952.

4. As in draft of June 30, 1952.

5. Communist control of the subcontinent would provide few immediate economic benefits to the rest of the Soviet bloc. It would, nevertheless, add greatly to the economic potential of the Communist sphere. The subcontinent has the largest industrial plant in Asia outside of Japan, a huge labor supply including a considerable number of skilled and semiskilled workers and the natural resources to support extensive industrial expansion. The low per capita productivity of the area and its dependence upon imports presently obtained from the West would pose serious but not insuperable problems for the Communists who in China and North Korea have shown a capacity to

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mobilize meager resources quickly and effectively. By ruthless methods and supplying limited quantities of capital goods, the Communists could significantly increase the pace of industrial development on the subcontinent and within five to ten years develop a specialized industry capable of supplying sufficient materiel to support a large modern army.

6. Omit.
7. As in draft of June 30, 1952.
8. As in draft of June 30, 1952

## DISCUSSION

I. POLITICAL AND PSYCHOLOGICAL CONSEQUENCES

9. The establishment of Communist control over the Indian subcontinent would be a staggering blow to the West and a major victory for the Soviets in their efforts to Communize the world. It would add five nations, two of them large and potentially powerful, and nearly a fifth of the world's population to the Soviet bloc, and would precipitate the rapid transfer of much of Southeast Asia to Communist control supposing this had not already occurred. With the acquisition of South, and much of Southeast Asia, Communism would have gained control over more than half the world's population. Even those countries of Asia which did not speedily follow South Asia into the Soviet bloc (i.e., the countries of the Near East, Japan, the Philippines and possibly Indonesia) would be under great pressure to

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accommodate themselves to the neighboring Communist regimes.

The loss of South Asia would be all the more grievous to the West inasmuch as it would involve countries whose present regimes are actively anti-Communist and whose ties and basic sympathies are primarily with the West. Although the independent policies pursued by these countries have sometimes caused embarrassment to the West, the measure of support and cooperation which the West has received from them far more than compensates for such embarrassment.

The loss of the South Asian members of the UN (India, Pakistan, and Afghanistan) to the Soviet side would inevitably end the usefulness of the UN to the US, either by creating such a large obstructionist bloc that the existing organization would be unworkable or, if the new regimes were not recognized, by destroying any UN claim to being a truly world organization. Although often critical of the UN the South Asian members are strong supporters of its ideals.

The psychological impact of a Communist victory in South Asia would be tremendous and worldwide. The Communization of South Asia coming on the heels of the Communist victory in China would tend to create the impression throughout non-Communist Asia, Africa, and Western Europe that the advance of Communism was inexorable. Confidence in democracy and its ability to withstand Communism would be undermined and the will to resist Communist aggression would be correspondingly weakened in these areas.

## II. ECONOMIC CONSEQUENCES

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A. Effect on the Economic Position of the West

As in draft of June 30, 1952.

B. Effect on the Economic Position of the Soviet Bloc

15. Control of the Indian subcontinent would provide few immediate economic advantages to the Soviet bloc. The USSR would probably hasten to exploit India's thorium bearing monazite for atomic energy purposes but with this exception the gain in strategic materials would be meager. Judged on the basis of current trade, the economies of the subcontinent and the Communist bloc are not highly complementary; only a small portion of the subcontinent's exports consists of commodities that the bloc is not in a favorable position to supply.

16. Nevertheless, the subcontinent would be a very considerable addition to the economy of the Communist sphere. Though the area is predominantly agricultural and characterized by widespread poverty, it has the largest industrial plant in Asia outside of Japan, a huge labor supply including a considerable number of skilled and semi-skilled workers, and basic raw material resources sufficient to support an extensive industrial expansion.

17. At present the subcontinent has a substantial food deficit, is experiencing balance-of-payments difficulties, and is not able to underwrite with its own resources an economic development program large enough to cope with the problem of population growth. These difficulties, however, must in part be attributed to the administrative

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weakness of the existing governments in the area. The fact that the subcontinent during World War II accumulated sterling balances of more than a billion pounds indicates that even under moderately austere conditions its potentialities for capital formation are significant. Under the much more austere conditions that would be imposed by the Communists, including a comprehensive program of social reorganization designed to consolidate and expand the regime's control over the society, these potentialities would be much greater. Both in China and in North Korea, the Communists have demonstrated their capacity to mobilize resources effectively for their purposes in predominantly agrarian areas characterized by low per-capita productivity.

18. The rapidity with which the Communists could develop the Indian subcontinent would depend in part on the extent to which the subcontinent could continue to trade with the West and on the USSR's willingness to provide economic assistance. The cutting off of major Western imports would impose a heavy strain on the subcontinent which the USSR would have difficulty in relieving. However, even under cold war conditions such as those currently prevailing, it is likely that the subcontinent could trade on a considerable scale with the non-Communist world and particularly with Japan. Moreover, if Southeast Asia was also under Communist control the subcontinent's dependence on such trade would be reduced. Burma and Thailand, for example, could supply much of the Indian food deficit and a significant portion of its

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petroleum requirement.

19. The USSR's willingness to provide economic assistance to a Communist-controlled Indian subcontinent would be limited by competing demands within the bloc, by the shortage of transportation facilities, and by the general concept that it is each Communist regime's responsibility to achieve economic goals through use of its own resources rather than through grants or loans from the USSR. However, both in Communist China and North Korea, the USSR has indicated its willingness to supply resources on a grant or credit basis if the strategic stakes are high. For this reason it is probable that the USSR would at least be willing to provide Communist regimes on the subcontinent with economic assistance to cope with the short-term problems arising from the transfer of political and economic power. Over the long term it might be willing to make available to the subcontinent some of the capital equipment that might be embargoed by the West.

20. Under these circumstances the Communists could significantly increase the pace of industrial development on the Indian subcontinent. However, the development of an industrial complex of the order of that existing in Japan and Manchuria at the start of World War II could only be accomplished, if at all, over a long period of time. Nevertheless, within 5 to 10 years a specialized industry could be developed through which the subcontinent could produce sufficient materiel to support a large modern army, strategically located in Asia.

### III. MILITARY CONSEQUENCES

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OIR CONTRIBUTON TO NIE-61

CONSEQUENCES OF COMMUNIST CONTROL OVER THE INDIAN SUBCONTINENT

April 30, 1952

DEPARTMENT OF STATE  
OFFICE OF INTELLIGENCE RESEARCH

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I. C. 1. Political, ideological, and psychological advantages and disadvantages accruing to the US from the present position of the countries of the Indian subcontinent in the East-West conflict.

a. South Asia's Position in the East-West Conflict

Broadly speaking, the position of the nations of South Asia in the East-West conflict may be characterized as one of non-alignment with either side. Within this broad characterization there is, however, considerable diversity. Afghanistan is strongly anti-Communist, generally friendly to the US, and distrustful of the USSR. Nevertheless because it fears the USSR and wishes to avoid antagonizing its powerful northern neighbor, Afghanistan deems it unwise to align itself with, or too strongly to support, the West. Pakistan, too, is strongly anti-Communist; it is aware of the threat posed by the USSR and Communist China and has on various occasions supported the West against the East. Nevertheless, because of its misgivings regarding Western motives, the desire to avoid becoming involved in a third world war, and the strong feeling that Pakistani support for the West ought to be on a reciprocal basis, Pakistan has been unwilling to align itself fully with the West. Pique at what the Pakistanis regard as the failure of the Western democracies (especially the US) to give adequate concrete expression to their professions of friendship to Pakistan -- as for example in the Kashmir dispute and as regards economic assistance -- has recently led the Pakistanis to gesture at a less Western-oriented foreign policy. But whether such a policy will actually take enduring form remains to be seen.

India is well aware of the threat that Communism poses to its national security. It recognizes the expansionist character and imperialist tendencies of the USSR and the use which the Soviets make of international Communism as a instrument of its foreign policy. Moreover, despite repeated public assertions

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of the excellence of India's relations with Communist China, India is fully aware of the possibility of Chinese aggression and has made vigorous efforts to strengthen its frontier defenses. India has, however, tended to regard the East-West conflict not as a struggle of the free nations of the world against Soviet aggression but as a contest between the USSR and the US for world supremacy from which it desires to remain aloof. India looks with disfavor on world domination by any nation or bloc and fears that alignment either with the USSR or the Western democracies would impair its sovereignty or involve it in war. Coupled with India's policy of non-involvement in the East-West conflict is its frequently reiterated desire to maintain friendly relations with all countries. While this desire is basically genuine, it has not until fairly recently, led the Indians to make any very serious effort to win American friendship or indeed even prevented them from saying and doing things which have tended to alienate American sympathy. Thus, notwithstanding the fact that India's basic ties -- ideological, political, economic, and historical -- are with the West, Indo-American relations have been less cordial than might have been wished and it has seemed to many Americans that India was actually more friendly to the Communist countries than to the Western democracies, or at least, that India's position was more favorable to the East than to the West. However, during the past six months or so, evidences of a real desire on the part of India for American friendship have become apparent. There has been no abandonment of the policy of non-alignment and there appears to be no likelihood of its abandonment in the foreseeable future, but there has been an increased recognition of the Communist menace, both foreign and domestic, and of the need of economic assistance from the US. There appears also to have been a

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significant abatement, at least in top government circles, of the suspicions and critical attitudes toward the US which have hitherto constituted impediments to more cordial Indo-American relations. The present trend toward better relations between India and the US appears likely to continue.

Ceylon's precise position in the East-West conflict is somewhat more difficult to assess than that of the other South Asian countries as Ceylon is not a member of the UN and Ceylonese government leaders have made few statements regarding foreign policy. It would nevertheless appear probable that Ceylon the most strongly Western-oriented of the South Asian countries, a circumstance to which Ceylonese apprehensiveness of possible Indian domination is contributive. Ceylon has allowed the US to carry on Voice of America activities in connection with Radio Ceylon and at San Francisco strongly supported the US position with regard to the Japanese Peace Treaty. Nevertheless, Ceylon's refusal to stop rubber shipments to Communist China makes it clear that Ceylon's position is not one of complete alignment with the US.

Thus, although the countries of South Asia are for various reasons and in varying degrees unwilling to align themselves with either side in the East-West conflict, they all have closer economic, political, and ideological ties with the West than they do with the Soviet bloc.

- b. General disadvantages accruing to the US from South Asia's position of non-alignment in the East-West conflict

South Asia's position of non-alignment has been an obstacle to US efforts to rally and unite the nations of the free world in the struggle against Soviet world domination. As long as the South Asian countries refuse to align themselves fully with the Western democracies, the non-Communist world stands

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divided and is incapable of presenting a solid front against the machinations of world Communism. Moreover, the example of the South Asian nations, especially India, encourages other countries, particularly in Asia, to resist American leadership and to adopt independent or cautious attitudes on matters at issue between the Soviet bloc and the free democracies. Perhaps the most serious of the disadvantages that have accrued to the US as a result of the South Asian position of non-alignment, are the conflicts it has engendered between Indian foreign policy and that of the US in such matters as the admission of Communist China to the UN, the Japanese Peace Treaty, and the second UN resolution on Korea. These conflicts have not only embarrassed the US in the execution of its policies in these matters but have also placed an additional strain upon Indo-American relations by stimulating critical comment in both countries on the policies of the other.

c. General advantages accruing to the US from South Asia's position in the East-West conflict

Imperfectly satisfactory as the South Asian position of non-alignment may be from the point of view of US foreign policy, it is nevertheless not without very substantial advantages to the US. Even if South Asia's position did no more than deny to Communist control this vast area inhabited by nearly a fifth of the world's population, it would be of great value. Moreover, as long as the nations of South Asia are not Communist dominated they belong to the free world and augment its size, prestige, significance and potential strength. Thus, even though these countries will not cooperate with us fully in those policies which we believe are best calculated to preserve their freedom against Communist aggression and subversion the fact remains that so long as they are members of the free world they are on our side whether they fully realize this fact or not.

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We may sometimes tend to overlook this fact but Moscow does not; and despite the fact that the Soviet bloc countries maintain diplomatic relations with the countries of South Asia and even from time to time make friendly gestures, it is clear that Moscow regards the present governments of South Asia as enemy regimes that must eventually be overthrown if Communism is to triumph in these areas.

All the governments of South Asia are anti-Communist in their domestic policies and are in various ways endeavoring to counter Communism and check its progress. In Afghanistan, the government keeps close watch on all efforts at subversion. In Pakistan Communist activities are kept under strict surveillance and in 1951, following the discovery of the Rawalpindi Conspiracy (a military-Communist plot to overthrow the government by force), nearly all Communist leaders were immediately arrested. Most of these have now been released, but there is no reason to doubt that the Government of Pakistan could and would rearrest them promptly should there be any urgent need to do so. In East Pakistan, the provincial government recognizes the need of an anti-Communist propaganda campaign and has requested American assistance in conducting it. In India, the government is increasingly concerned with the Communist menace, both internal and external, border defenses are being strengthened and special programs to increase the resistance of frontier areas to Communism are being initiated. Recent Communist gains at the polls have alerted the government to the urgent need for anti-Communist action while at the same time making such action more difficult. Since under present circumstances stringent anti-Communist measures would undoubtedly arouse strong popular resentment and increase sympathy for the Communists. There has, however, been no relaxation of government vigilance and unquestionably plans for countering the activities of

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the CPI are under consideration, although it is impossible at present to predict what form these counter-measures will take. Forcible repression, however, appears unlikely, unless the Communists resort to violence; in that case, the government would doubtless as in the past not hesitate to meet force with force. In Ceylon, the dominant political party is carrying on a vigorous propaganda campaign against Communism as a part of its pre-election activities. All the countries of South Asia, with the exception of Afghanistan, are allowing the US to carry on anti-Communist propaganda and in some countries there is active cooperation between local and US anti-Communist activities. It is thus clear that with regard to the US foreign policy objectives of countering and containing Communism the position of the South Asian countries gives the US a very substantial advantage which it would not enjoy were these countries under Communist control.

The present position of the South Asian countries also confers the important advantage on the US of enabling it to pursue its objectives of increasing the stability and Western orientation of these countries. The pursuit of these objectives has found concrete expression in economic aid programs designed to help the countries solve their economic problems and thereby increase their economic, and hence indirectly their political, stability. All South Asian countries are aware of their need for foreign economic assistance and are not only willing but eager to receive it from the US provided no political strings are attached. By cooperating with the US in the implementation of these economic aid programs, the South Asian countries are not only furthering the realization of the immediate objective of these programs but are also associating themselves more closely with the US. This closer association should

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create greater understanding and appreciation of the US in South Asia and, as time goes on, bring about improved relations and closer ties between South Asian countries and the US.

The present position of the South Asian countries in the East-West conflict gives the US the very great advantage of being able to influence both governmental and public opinion to a degree that would be quite impossible if these countries were Communist-dominated. Under present conditions, US representatives, both official and unofficial, have extensive opportunities to influence official opinion while USIE units are able to carry on their pro-US propaganda activities with the general public. The value of the opportunity to influence South Asian opinion is demonstrated by US success in recent months in improving Indo-American relations.

d. Advantages and disadvantages accruing to the US in the UN

Although as members of the Asian group, all three UN members from this area at times oppose the US position in the UN and often abstain on certain East-West issues, the cardinal point is that they remain outside the Soviet bloc which they do not intentionally support. All three have aligned themselves with the US on numerous issues since the inception of the UN. All take a basically positive attitude toward the UN and are favorable to its success. While on occasion, all display neutralist tendencies which trouble the US and have been indifferent when not hostile to the concept of collective military security, broadly speaking they have upheld the basic political ideology of the West in the UN.

If these countries do not always agree with the US, it still is possible to exchange views with them in a reasonable and normal manner which would hardly be the case were they members of the Soviet bloc. This exchange of ideas is mutually advantageous. Although the US frequently finds its views challenged

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by these countries, this is not in all cases a disadvantage. In some instances it may help the US to acquire a better understanding of the facts of political life in the area, thus better preparing the US to exercise constructive and effective leadership. In the cases of Pakistan and India, their Commonwealth membership can at times serve as a convenient bridge between East and West.

e. Advantages and disadvantages accruing to the US in US-Commonwealth relations from South Asia's position

The membership of India, Pakistan, and Ceylon in the Commonwealth greatly enhances its role as a multi-racial association to some extent bridging the political gulf between Asia and the West. The intimate consultation and exchange of information which characterize the Commonwealth connection expose the Asian members to Western influence and thereby help to prevent the hardening of a purely Asian outlook dogmatically unfavorable to the West. The Commonwealth membership of India and Pakistan and their relations with other countries in the Colombo plan are favorable points of departure for closer political and even military collaboration should the Communists become more openly aggressive in South Asia. The evolution of the Asian members from a colonial status has dramatized for British dependent territories the reality of the current British policy of encouraging rapid progress toward self-government and thus helps to counter Soviet propaganda based on the theme of Anglo-American imperialism.

f. Advantages and disadvantages to the US in Western Europe

As long as the Indian subcontinent is not directly affiliated with the Communist bloc its position does not play a significant role in the orientation of European peoples and their governments. Undoubtedly some

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neutralists and neo-Fascists draw a degree of moral support for the knowledge that certain powers have successfully refused to join in the East-West struggle while pursuing national goals. These groups do not currently constitute a problem for US foreign policy, however.

Political groups throughout Europe sympathetic to the democratic coalition are less concerned and less displeased with the foreign policy of India than are groups in the United States. They may even feel that war is less likely as long as certain strategically located countries have not chosen sides. It is on the support of these groups that the success of US policy in Europe depends. Excluding the ideal solution, from the US point of view, of an India fully aligned with the West, it can only be concluded that the present Indian policy is, on balance, a net advantage to the US in Western Europe.

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g. Advantages and disadvantages accruing to the US in the Near East

While there is much left to be desired in the present relationship of the countries of the Near East with the United States, the neutralist attitudes predominant in this area at least have the advantage of leaving the door open to Western as well as to Soviet ideas. As long as this door remains open, the potential for building a more favorable relationship will continue to exist.

The ruling elites of the Near East tend to reconcile themselves to overwhelming power; an unequivocal alignment of India and Pakistan with the West would in Arab and Iranian eyes change the balance of power in Asia and go far to neutralize the impression created by the Communist victory in China and the decreasing relative strength of the UK and France. The source of specific local grievances of the Near Eastern states against the West, such as Palestine, the oil concessions, and "unequal" alliances, would remain, but the extension of the Western defense system to India and Pakistan would convince most of the Near Eastern governments that it was in their best interest to throw in their lot with the West. However, any open alignment with the West on the part of Near Eastern governments, even if they were following a pattern set by India and Pakistan, would probably meet considerable criticism from within the various countries, particularly among the growing urban middle group. The social ferment now sweeping this area is still generally anti-foreign in character and predominantly negative in its approach to major problems.

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The idea of an Arab-Asian third force, which is now popular throughout the Near East and South Asia, would undergo considerable change in focus if the countries of the subcontinent were to identify themselves clearly with the West. As presently conceived, the third force would carve out a special international political sphere for the Arab-Asian area, enabling the various relatively weak states to achieve an independence of movement in international politics which individually they do not have. Variations on the Arab-Asian bloc idea, which at times has manifested itself in the UN, are moves for Islamic or Arab Union. The former, though pressed by Pakistan, has created little enthusiasm in the Arab world; the latter has found concrete but politically weak expression in the Arab League. While the third force idea would probably not be abandoned if South Asia were to align itself with the West, India or Pakistan might well take the lead in redirecting its emphasis away from neutrality and toward such themes as regional integration, Asian industrialization, and the end of colonialism.

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## h. Advantages and disadvantages accruing to the US in Southeast Asia

Although the present position and orientation of the governments of the Indian subcontinent limit, at times, the effectiveness of present United States policy toward Southeast Asia, it is clear that, on balance, the continued existence of non-Communist governments in the area contributes substantially to the pursuit of US and Free World objectives.

Politically and psychologically, both the advantages and the disadvantages of the present position of these governments devolve primarily from India's status as the principal Asian counterpoise to the strength of Communist China, and the symbol of widespread Asian neutralist and "third force" sentiment. On the negative side, India's position of non-alignment inhibits the development of collective defense potential and implementation of related US assistance programs in Southeast Asia, where there is a general belief that Asians are not responsible for current world tensions and a resulting hope that non-involvement will prove possible. Positively, the continuing existence of non-Communist governments on the Indian subcontinent tends to retard the impact of Communism on Indian minorities in Malaya and Burma, on Moslem populations in Indonesia and Malaya, and, in fact, on wide groups of the population throughout the area. Furthermore, the existence of non-Communist governments in India and Pakistan serves to limit the effectiveness of Communist pressure on the governments of the Southeast Asian nations. The positive impact of the present situation is greatest in Burma, Malaya, and Indonesia, and least in Thailand and the Philippines.

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i. Burma. The existence of the present non-Communist government in India has probably been a major deterrent to overt Chinese Communist assistance to groups attempting the overthrow of the Government of Burma as the Chinese Communists presumably realize that open aggression against Burma would seriously endanger their relations with India and Pakistan.

Prestige derived from its association with the present Indian Government and particularly with Prime Minister Nehru is a source of domestic political strength for the moderate U Nu government. Further, the present Indian government frequently influences important Burmese foreign policy decisions. Although Indian neutralism has added to Burma's reluctance to accept ties with the West, the Indian Government has at times exercised a steadying influence on Burma's foreign policy (e.g., when Burma considered taking the problem of the Chinese Nationalist troops in Kengtung to the UN in 1951). The recent trend toward more positive Indian cooperation with the US, may contribute toward the development and expression of similar attitudes within the Burma Government.

ii. Thailand. The conservative character of the present Thai Government and its close association with the West inhibit genuine political rapport with the Indian government and there is little ideological compatibility between present ruling groups in India and Thailand. No positive political advantages accrue to US policy toward Thailand by virtue of the present political position of India. The implementation of existing US policies toward Thailand, including economic and military assistance programs, is based on the current Thai view of the power position of the US and the West, and is not directly affected by the present orientation of the Indian government.

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iii. Malaya. The present position of the countries of the Indian subcontinent serves to support, in several ways, the objectives of the UK, and therefore of the US, in Malaya. Because India is non-Communist, the Indian minority in Malaya is not opposing the British effort to suppress the Communist guerrillas, who are for the most part Malayan Chinese. The majority of the labor force on European-owned rubber estates is Indian, and is organized into unions under anti-Communist leadership. As a result of the present position of Nepal and of India, Gurkha troops continue to be available to the British for use in Malaya. Religious ties between Malay and Pakistani Islamic leaders, while not the determining factor in Malay support of the British, may be presumed to exert a favorable influence on the attitudes of Malay religious leaders.

iv. Indochina. India's position that the Associated States of Indochina are not independent and hence are undeserving of recognition has hampered US efforts to bolster the present regimes in the three countries and to obtain further Asian recognition for them. There is in Indian political circles considerable unwillingness to admit the Viet Minh to be an internationalist-Communist regime. As late as 1949 India voted for the admission of both the Associated State of Vietnam and Ho's regime to the Economic Commission for Asia and the Far East (ECAFE), and in the fall of 1951 India objected to the inclusion of the Associated States as signatories to the Japanese Peace Treaty. India's attitude has probably played an important role in shaping attitudes toward the Associated States in such other countries as Indonesia, Burma, and the Philippines.

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Nevertheless, there is considerable admiration for India in the Associated States. Non-Communist Vietnamese nationalists often point to India as an example of the status they envision for themselves within the French Union. India's position as a powerful Asian counterpoise to Communist China and its retreat during the past two years from public endorsement of the Viet Minh have probably encouraged some Vietnamese not to support the Viet Minh, even if they have not thereby been led to back the present government of Vietnam.

v. Philippines. Political, economic, and cultural ties between the Philippines and India are of very little consequence. In the past, the Philippines has nearly always supported the US in cases of divergence between the Indian and US positions. Although India and the Philippines are generally like-minded on the issue of colonialism, the Philippine Government does not look to India for leadership of the anti-colonialist nations. In fact, the relatively unequivocal Philippine stand on the side of the Free World has created the possibility of a mounting rivalry with India for political leadership in Southeast Asia.

vi. Indonesia. The impact of Indian political leadership upon Indonesia has heretofore hampered the achievement of US policy objectives in Indonesia in that 1) it has been a factor impeding the further development of an Asian defense scheme involving out of US security agreements with Japan, the Philippines, Australia and New Zealand, and 2) India's position has tended to delay and check the natural gravitation of Indonesia toward the Western orbit, based on geographic-strategic and economic factors. Nevertheless, since the position of India clearly plays a most important role in the

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determination of Indonesia's own international position, the maintenance of the territorial and political integrity of the Indian subcontinent and the preservation of India as the principal non-Communist power in Asia have on balance played a highly advantageous role in, and would seem to be major conditions for, the achievement of the prime objective of US policy in Indonesia: the maintenance and strengthening of a stable and viable non-Communist state outside the Soviet orbit.

i. Advantages and disadvantages accruing to the US in Japan

Japan, on the eve of its re-emergence as a sovereign power, has tended to regard India, of all the non-Communist countries of the Far East as the most important potential partner, if not competitor, in the postwar political system of that area. This evaluation of India's importance has, however, been qualified by the recognition that Japan's future Far Eastern, as well as world, position is in large measure dependent upon the policies of the major non-Asiatic powers on both sides of the East-West division. The Japanese assessment of India's importance to their own country is derived from both political and economic considerations. These considerations, in turn, exercise a significant, although not necessarily determinant, influence upon Japan's reactions to US policies toward Japan in particular and the Far East in general.

Certain disadvantages accrue to such US policies from India's present position and attitudes and the Japanese reaction to them. India's avowed role as an Asian leader of anti-colonialism and anti-imperialism -- whether originating in the Eastern or Western power blocs -- has found favor among those Japanese who are inclined to view with suspicion the greatly increased

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role occupied by the United States in the Far East. In addition, India's position in the East-West conflict enhances in the eyes of some Japanese the feasibility of a similar position for their own country. The attractiveness of this notion is increased by the specific example of India's limited relations with Communist China, and nebulous hope, of Japan's participation with India in a "third force movement" which eventually may hold the balance, if not effect a reprocurement, between the East and the West. Finally, the suggestion in India's position of ideological, as well as political, neutrality carries the implication of Asian uniqueness which could appeal to latent Japanese Pan-Asian sentiment. The effect of such an attraction is to reduce the ideological and psychological advantage now maintained by the US and the West as a major source of inspiration, both in institutional and value terms.

The above considerations, however, are subject to the important qualification that they currently appear to exercise only a peripheral influence upon Japanese thought and action both in unofficial and official circles. Whatever the appeal of these factors under other circumstances, their present impact is largely mitigated by the conviction held by a majority of Japan's leaders that, within the context of the cold war, Japan cannot afford, either economically or politically, to forego a policy of close alignment with the United States. Moreover, the fact that India remains without the Communist orbit may be expected to strengthen the determination of Japanese, however fearful of the implications of a US alignment, to resist the political and economic blandishments of the Communist bloc.

The fact that India remains closely integrated within the Western economic system, serves further to offset the political, ideological, and

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psychological disadvantages accruing to the US as a consequence of the present position and attitude of the Indian subcontinent. To a significant degree, the attractiveness for Japan of its alignment with the US and the Western bloc lies in the ready access obtained thereby to the markets and raw materials of the Indian subcontinent and Southeast Asia.

II. C. I. Political, ideological, and psychological advantages and disadvantages which might accrue to the Soviet bloc, as a consequence of Communist control of the subcontinent.

a. In general

The loss of South Asia to Communist control would confer ~~very considerable~~ <sup>enormous</sup> political, ideological, and psychological advantages on the Soviet bloc. It would greatly increase the size, prestige and political potential of the Communist world which would be augmented by five nations -- India, Pakistan, Afghanistan, Ceylon, and Nepal -- and nearly a fifth of the world's population, thus making it possible for international Communism to claim to speak for approximately half the people of the globe. The Communization of South Asia coming on the heels of the Communist victory in China would tend to create the impression that the advance of Communism was inexorable and that it would soon engulf all Asia and eventually the world. Soviet power to thwart the US in the UN would be greatly enhanced. Resistance to Communism would be weakened throughout Southeast Asia and in Japan and a large part of this area would probably soon follow South Asia into the Communist fold.

b. In the UN

The Soviet bloc would obviously derive enormous advantages in world prestige and influence from the adherence of these key countries and those advantages would naturally be reflected in the UN. This political realignment

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would add a population of some 450,000,000 to the Soviet bloc. It would impose the severest strain on the existing structure of the UN. With the addition of the populous subcontinent to the Soviet bloc, the present weighing of votes in the SC, where the Chinese Nationalists still retain their permanent seats, would no longer bear any reasonable relation to existing international factors of power and influence. Under such circumstances it would not only become increasingly difficult to sustain the continued representation of the Chinese Nationalists, but the UN might be faced with a Soviet demand that the Charter be amended and that India be granted a permanent seat in the Council. Regarding the General Assembly, Stalin has already criticized the voting parity accorded to such nations as the Dominican Republic and India.

Two developments are possible.

(a) The USSR might conclude that the time was propitious to withdraw from the UN and to form an international organization under its own leadership in opposition to the UN. In so doing, it could bring into the new organization an imposing array of countries comprising satellites which so far have been excluded from the UN such as Albania, Bulgaria, East Germany, Hungary, North Korea, Outer Mongolia, Rumania and the Democratic Republic of Vietnam. The effect of India's withdrawal from the UN would be likely to exert a strong gravitational pull on Burma and Indonesia which might eventually quit the UN without necessarily joining the new organization. This would leave the UN an association of non-Communist states, which could no longer aspire to the role of a world organization. Whatever effectiveness it might command operating in a more restricted geographical framework with presumably more cohesive members than now, it would cease to conform to the present conception of the UN.

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(b) The USSR might, on the other hand, decide to remain in the UN exploiting its new reinforcements to make more effective use of the organization as a forum for propaganda and psychological warfare. Confident that time was on its side, it might count eventually on further accretions to its bloc in the UN.

Since the nations in question under present conditions frequently abstain on proposals favored by the US or on East-West issues, their shift over the Soviet bloc would not necessarily make a radical change in the box scores in GA voting. The US might still be able to muster a majority large enough to secure adoption of its proposals. Nevertheless the Soviet bloc could argue much more effectively than hitherto that these majorities, depending on the support of the Latin American republics, were artificial and not truly representative of world opinion. Thus the defection of these countries to the Communist bloc would in large measure reduce if not destroy the moral value and impressiveness of UN resolutions.

The effect of the political shift on the remaining non-Communist members of the UN would to some extent depend on the manner in which the change was effected. If the subcontinent became Communist through external military conquest or obvious subversion, the moral impressiveness of the change would be far less than if it had come about primarily through domestic developments. But however brought about, so immense an addition to the authority of the Soviet bloc would greatly enhance its ability to stultify US action in the UN, and a large region would be added to the vast territories from which UN bodies are already virtually barred and where the UN can exert little or no influence.

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c. The Near East

In the event Communist control were to be extended over the subcontinent, the Near East for the first time would be faced with the realities of Communism, practically at its back door. Korea and even China were remote from Near Eastern consciousness, and the screen represented by Greece, Turkey, and Iran have permitted the Arab states the luxury of viewing Zionism and British and French imperialism as more immediately threatening. Communism in South Asia would not and could not be ignored. One important result would be the virtual elimination of any Arab-Asian third force ideas. Though possibilities for the development of a restricted Islamic or Arab Union would remain, the hope of carving out a special international political sphere for the area would have been eliminated. Under these circumstances, the Near East might well feel that the time had come to choose between the East and West.

An important factor which would affect any Near Eastern decision would be the relative power of the West and the Soviet bloc as a consequence of the Communist absorption of India and Pakistan. Communist control of the subcontinent would constitute an obvious gain for the Soviet side; whether this would be a determining factor would depend on the Near Eastern governments' evaluation power of the strength or weakness shown by the West in the face of such an eventuality.

Three developments could be expected to occur under these circumstances:

- 1) A movement on the part of some of the ruling elite and others with a personal stake in the maintenance of the existing governments, for increased Western aid and support. The ability of these groups to carry their countries

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in the direction of pro-Western association would largely depend on the amount and timeliness of Western political, economic and military support.

2) A movement on the part of opportunist elements to come to terms with Soviet power and move away from the West if not to associate openly with the USSR. This trend would be strongest among discontented elements in the middle and lower urban groups. 3) A strong effort would be made by Communist-inspired "Popular Front" groups to overthrow the existing governments and link up with similar groups in the Indian subcontinent. The chances for the success of such a move would be greater if the Indian subcontinent went over to the Soviet bloc through an internal "popular" revolution than if it were accomplished by armed conquest. Communist domination of the subcontinent might well encourage local separatist movements in the Near East, particularly in Iran and among the Kurds of Iraq and Syria, and then further weaken these states. The capacity of the local governments to resist such pressures would be determined largely by their control over their armies and the extent to which they would have been able to secure from the West concessions to their national aspirations.

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## d. Southeast Asia

The establishment of Communist regimes on the Indian subcontinent would materially assist the Soviet bloc in achieving its objectives in Southeast Asia while seriously jeopardizing the realization of those of the US. Southeast Asian reaction to the appearance of such regimes, as well as the actual consequences, would be determined chiefly by the methods through which Communist control was achieved, and by the nature and timing of US or Western counteraction.

In the absence of US action which gave the appearance of being both rapid and adequate to protect the position of the remaining non-Communist states it is probable that the expectation of continuing Communist expansion would lead to a sudden trend toward accommodation in all the mainland countries. Such tendencies would be accelerated by mounting pressure from local Communist groups. Combined with the physical vulnerability of the area, caught between large Communist states in India and China, the psychological impact of the disappearance of the major symbol of non-Communist independence on the Asian continent would seriously undermine the power and prestige of those elements which continued to counsel resistance to the flowing tide.

In the island countries of Indonesia and the Philippines, indigenous Communist groups would find a stimulus and probably would receive increasing support as a consequence of the spread of Communism to the Indian subcontinent. In addition to this direct advantage accruing to the Soviet bloc, it is probable that such a development would intensify the split between those non-Communist elements who advocate abstention from alignment with the West even at the price of rapprochement with the Soviet bloc, and those who favor resistance to Communism through the reinforcement of ties with the West. The latter group would rely on the defensibility of the off-shore islands by Western naval power, even against a continent lost to the Communists. The outcome of the struggle

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between these groups would be determined, to an important degree, by local impressions of the promptness and efficacy of counter-measures adopted by the US and its Western allies. Even if the result were firm alignment with the West, indecision might be sufficiently prolonged to imperil effective action

i. Burma. Communist control of the Indian subcontinent would probably lead to the fairly rapid shift of Burma to the Communist bloc through accommodation or intensified Communist subversion and armed struggle.

Burma's border with India and Pakistan would be exposed to infiltration with which Burmese security forces would be unable to cope. The Burma Communist Party (BCP) insurgents could be rapidly strengthened with men and materiel. Assured of such support the BCP would probably be able to unite other dissident groups in a joint effort against the government. Some elements within the large Indian and Pakistani minorities in Burma might be used for subversion and agitation. The Burma government would be deprived of Indian diplomatic support and instead would probably be exposed to Indian diplomatic and propaganda pressures. The strengthened political position of Communist and pro-Communist groups in Burma would intensify pressures on the government.

Under such circumstances, the U Nu government would probably have to make political concessions to the extreme left which, coupled with deteriorating internal security, would lead either to the accession of a regime acceptable to the Communists or to the violent overthrow of the present moderate government and the establishment of Communist control in Burma.

ii. Thailand. Although no positive advantages accrue to US policy toward Thailand because of the present political position of the Indian subcontinent, Communist control of that area would have profound and disadvantageous repercussions in Thailand. The Thai Government would probably seek a firm

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commitment of direct Western military intervention in the event of anticipated Communist aggression. Meanwhile, there would probably be a resurgence of neutralist opinion in Thailand and possibly the development of political movements looking to rapprochement with the Communists. The deterioration of the situation in Indochina and Burma which would probably follow would increase Thai anxieties and lend impetus toward disentangling the Thai government from its close Western ties. The drift could probably be checked only by prompt and visible indications of direct Western military support. Even such actions might not be effective, particularly if Western military efforts had failed in Indochina or Burma. In any such eventuality, the net result of extreme Communist pressures from both sides would be the extension of Communist control to Thailand.

iii. Malaya. Communist control of the Indian subcontinent would induce a number of developments in Malaya advantageous to the Soviet bloc. The psychological effect of the fall of India, in particular, might induce the Indian minority to cooperate with the Communist guerrillas and thus deprive the British of some support now available from the leaders of the Indian community. Present British efforts to enlist the cooperation of the Malayan Chinese community, now largely uncommitted, would probably be negated; it is likely that many Malayan Chinese, regarding a Communist sweep through Southeast Asia as inevitable, would throw their support to the Communist guerrillas. The recruitment of Gurkha troops would no longer be possible and the loyalty of those already in British service would become questionable. It is likely, however, that the Malays, fearing domination by the other communities in Malaya, would for the most part continue to support the British.

The adoption of a pro-Communist stand by the Indian community in Malaya would be likely to bring about virtual cessation of production

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on European-owned rubber estates. A similar development in the Malayan Chinese community would have a corresponding effect on European tin mining enterprises. The consequent loss of revenue would make it difficult for the British to support their anti-Communist campaign in Malaya, while loss of Malaya's strategic materials would have an adverse effect on the defense effort of the West.

iv. Indochina. Should India fall under Communist control, the situation in Indochina would deteriorate rapidly unless the United States determined to take a firm military stand in that area. Such a stand would itself be hampered if the Communization of India had been accomplished by armed force and if US military assistance had not been offered or had proved ineffective. Even if the French continued to fight in Indochina, most Vietnamese would probably reason that, with mainland Southeast Asia caught in a Communist pincers, a French withdrawal would be inevitable and would therefore tend to seek accommodation with Viet Minh. The development of national armies of the Associated States would be jeopardized under these circumstances along with the fighting potential of existing indigenous forces.

v. Philippines. A Communist regime in India would tend to increase considerably Filipino fears that their nation might become a victim of Communist aggression, but in the face of such a situation the Philippine Government probably would endeavor to reinforce its present strong ties with the US. The fear which might arise among Filipino leaders due to the loss of India by the Free World would probably bring a concentration by the Philippine Government on joint defense measures designed to strengthen military potential. However, fear and the concentration on military measures might also give rise to apathy and indifference on the part of government leaders which would lessen their determination to cooperate with US-sponsored programs for administrative and social reforms. The

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Communist-led Huk guerrillas might receive some slight boost in morale as a result of a further extension of Communism on the Asiatic mainland.

vi. Indonesia. The strength which would thus accrue to the Soviet bloc should Communist control be established in the Indian subcontinent, coupled with the consequent possession by the Soviets of essential points of strategic control in the Indian Ocean basin, might make Indonesian vulnerability to the power-attraction of the Soviet bloc impossible to surmount, particularly since Indonesia would be cut off from, and would presumably be facing the enmity of, its Muslim brethren in Pakistan and its ideological and political partners in India. Should the spread of Communism in South Asia, therefore, not be met by the most vigorous US counterefforts, Indonesia might rapidly fall into the Communist orbit. Should the advent of Communism in India, however, be countered by such demonstration of force on the part of the US as to make Indonesia incapable of escaping the ascendancy of US influence in her area, or as to persuade it that such influence would provide her full protection against an extension of Communist hegemony outward from the continent, the result of Communist control in India might well be, through the consequent disintegration of any hope for the formation of a "third force" in Asia, to turn Indonesia finally and irrevocably into the US power-orbit.

e. Japan

Although Communist assumption of control over the Indian subcontinent, and even of all of Southeast Asia, cannot be expected to result in a rapid and complete loss of Japan to the Western bloc, the resulting political, psychological, and economic pressures, if not counter balanced by greatly

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expanded US economic and military commitments not only to Japan, but in the Far East as a whole, in all probability would seriously weaken its position as a co-operative and effective partner within a Western system of alliance.

Should Communist control of the Indian subcontinent take place before Japan had recovered an appreciable measure of independent economic and military strength and as the result of a gradual process of internal subversion, supported by only indirect, external assistance, the effect might be to persuade an increasing number of Japan's leaders of the "inevitability" of their country's accommodation to the Communist orbit.

If Communist control were secured through a sudden internal coup, supported openly by external assistance, Japan's sense of insecurity in the face of the Communist threat would be significantly increased. The Japanese reaction, in this event, would be dependent in large measure upon the determination and ability evidenced by the US and the West to resist Communist expansion and ultimately to restore the subcontinent to a position of independence. Lacking such evidence, Japan might give serious consideration to a policy of rapprochement with the Communist orbit in the interest of national security.

In any event, the effect of continued Communist control of the Indian subcontinent could be expected to reduce the willingness and effectiveness with which Japan participates in the Western alliance as it would be interpreted by the Japanese as a major defeat for the West, and as a circumstance which seriously threatened the realization, within a Western alignment, of Japan's national objectives of security, economic viability, and the attainment of an independent international position.

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Communist control of the Indian subcontinent would increase the pressures already present within Japan for the establishment of trade relationships with the Communist bloc. These pressures would be greatly accentuated in the event that Communist control were extended to Southeast Asia as well.

Finally, the loss of the Indian subcontinent to Communist control would appreciably increase Japanese apprehensions regarding its possible isolation in Asia.

## f. Commonwealth

If the Indian subcontinent were to fall under Communist control the consequent withdrawal of the Asian members from the Commonwealth would profoundly weaken British and Western prestige, destroy the value of the Commonwealth as a bridge between East and West and seriously undermine the remaining political and economic positions of the UK and its allies everywhere in the Middle and Far East.

With the Asian Commonwealth members gone, Australia and New Zealand would align their policies even more closely with the United States. In Australia the anti-Communist pressures in the government and the labor movement would be intensified, and Communist influence in key industries and transport would probably wane.

## g. Western Europe

Communist absorption of the Indian subcontinent would create fear and apprehension among many West European peoples. The effects would be more gradual and long run than immediate, however. Only the Communists would be pleased. Loss of confidence in the future of the Western coalition

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would become pronounced. Communism would again appear to many non-Communists as the inexorable "wave of the future," with reference to which they would feel that certain adjustments would have to be made to insure survival. The present governments throughout Europe might conceivably see in an accelerated military strengthening of Europe the only counter to this serious shift in the world balance of power. They would find it increasingly difficult to secure the necessary public support to implement this view, however, particularly in France and Italy with their large Communist parties. In the latter countries a feeling of futility and a lack of faith in the Western policy of containment backed by armed strength would become increasingly evident.

The French Government would be particularly hard pressed. The securing of military credits for carrying on the military effort in Indo-China would become increasingly difficult in the face of a mounting public feeling that the task was clearly impossible. Toward other French possessions, however, particularly in North Africa, the government would probably find increased public support for a stern policy of defending these areas against what it would contend was Communist disruption. Nationalist forces in these areas, on the hand, would clearly seek to capitalize on the opportunity to demand greater autonomy, if not independence arguing that this is the only means for giving their peoples a stake in resisting the feared growth of Communism.

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II. B. 2. Extent to which the subcontinents potential economic resources might be developed under Communist control.

A Communist accession to power in South Asia would seriously aggravate the area's already existing economic difficulties with the result that during their first years in power the new Communist governments would face staggering economic problems. For this reason, the Krenlin would have no reason to fear that these countries would for many years develop sufficient strength to resist Soviet control.

Communist regimes in the subcontinent would receive little help from Moscow in developing the area's economic resources, and they would be largely on their own in coping with their economic problems. The USSR, which itself has a low standard of living, has never been generous to its satellites. It would be prepared to exchange genuine surpluses for essential commodities -- a development which in the case of the subcontinent will be limited because of lack of shipping facilities -- and it would probably send administrative and technical experts, although their salaries would be paid by the satellite governments. But Moscow's general philosophy is that every Communist country has to be developed with its own resources rather than through grants and loans from the USSR.

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The principal economic problems facing the victorious Communists relate to the subcontinent's dependence on certain vital imports and foreign shipping. It is unlikely that Soviet bloc sources could fully replace the West as a supplier of needed imports, but even if they could transportation would pose an almost insurmountable obstacle. The subcontinent's Communist governments would inaugurate a program designed to fit their foreign trade to the new conditions brought about by their rise to power. Depending on their estimate of the need for or desirability of imports from the West, they might adopt one or the other of two policies, one of compromise, the other of a radical character:

1. The soft policy would try to alleviate the hardships of the transition period by continuing as much business with the West as possible under the circumstances. By showing moderation in internal as well as foreign policies, the subcontinent's governments might be able to obtain from Western countries at least part of the grain, petroleum, metal goods, chemicals, capital equipment, etc, which its population needs, including the shipping required to carry goods between the area and the West. A continuing flow of strategic materials to the US and its associates would be one condition for the successful implementation of the compromise policy. There would nevertheless be a gradual shift both to self-sufficiency and to trade with the Soviet realm but the transition would be relatively gradual.

2. If a soft policy were considered either undesirable or unworkable, more stringent measures would be put into effect. On the assumption that foreign trade is reduced to a trickle because the West is not willing and the East not able (and, perhaps, also not willing) to

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satisfy the subcontinent's import, export, and shipping needs, radical steps as outlined in the following paragraphs would have to be taken.

Action with regard to food grains would be particularly urgent. In recent years, the subcontinent's grain imports have fluctuated between 3,000,000 and 5,500,000 metric tons, an amount which represents about 1.5 percent of its own grain production. It is likely that Eastern Europe and China would supply some grain to India and Ceylon (Pakistan has a small surplus which it would have to sell to its Communist brethren in those two countries) but lack of shipping facilities would limit these imports to roughly one million tons. Another million tons could probably be obtained from Burma although this would severely tax available shipping facilities. In order to get along with a one to and a half two/million reduction in cereal imports, the new regimes would have to extend the rationing system now in force in parts of India to the entire subcontinent and they would have to introduce the ruthless methods of crop collection which prevail in Eastern Europe. Even so some local famines would probably occur. Communist rationing would discriminate against the aristocracy, the merchant class, the rural landlords, the priests, and kindred categories of the population who might even be liquidated through forced labor at irrigation canals and the like. Additional amounts of grain could be saved by the elimination of monkeys and surplus cattle who now devour about one million tons of grain a year. But such a policy presupposes that the Communists were so firmly in control that they could afford to offend the deeply rooted religious sentiments of the subcontinent. Under any circumstances,

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the new regime would have to continue the work of the present governments in the field of agricultural improvements. However, should the subcontinent be unable to export as much of its industrial crops as at present, a considerable area of land would be freed for the growing of grain to relieve the tight food situation.

The subcontinent's normal import requirement, for petroleum products is close to 7,000,000 metric tons which are now procured from Near Eastern production centers. While the USSR and Rumania would have surpluses, they do not have the tankers to ship more than insignificant amounts to the subcontinent. Its demand could, of course, be radically compressed and since there is a surplus of coal in the subcontinent, oil-burning equipment could be converted to coal. While the hardship would fall chiefly on home and automobile consumption -- and the Communists are not reluctant to impose such privations -- it is certain that the lack of oil products would create bottlenecks in production with attendant unemployment and additional scarcities.

This would also be the result of the elimination of imports of capital equipment (including spare parts), other metal products, chemicals, etc. The subcontinent's dependence on such goods has been described earlier. For years to come, much of the new regimes' "developmental" policies would have to be devoted to seeking replacements for imports by opening up new trade channels, by promoting the use of substitutes, and by creating -- on a modest scale, necessarily -- new facilities for the production of the most essential goods. In addition, they would have to apply an allocation and rationing system designed to stretch existing supplies in line with what the Communists consider the foremost requirements.

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Among the high priority requirements would be those of the subcontinent's armed forces. Its present economic basis supplemented by some Soviet bloc supplies shipped by sea or air would probably suffice to maintain the armies at a strength sufficient to quell any local rebellion and defend the frontiers against the subcontinent's weak neighbors.

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